

REMARKS

In this response, Applicants have amended claims 1, 2, 6, 7, 11, 12, 28, and 29 to clarify inherent subject matter. Claims 16-27 and 30-33 have been withdrawn in relation to a restriction requirement. Claims 1-15, 28, and 29 are currently under examination.

In the Office Action, the Examiner memorialized the restriction requirement, rejected claims 2, 3, 7, 8, 12, and 13 under 35 U.S.C. § 112, second paragraph as being indefinite, rejected claims 11-15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter, rejected claims 1-3, 5-8, 10-13, 15, 28, and 29 under 35 U.S.C. § 102(e) as being anticipated by an article by Sabrina Ghani entitled "Plan for Bank-Capital Rules Spurs Doubts," Asian Wall Street Journal, p.2 (June 7, 1999) ("Ghani"), and rejected claims 4, 9, and 14 under 35 U.S.C. § 103(a) as being unpatentable over Ghani.¹

Restriction Requirement

Further to the teleconference between Applicants' representative and the Examiner, Applicants acknowledge the oral election to prosecute Group I, claims 1-15, 28, and 29. Claims 16-27 and 30-33 have been withdrawn from consideration by the Examiner.

Rejections under 35 U.S.C. § 112, second paragraph

Regarding claims 2, 7, and 12, the Examiner contends that the claim recitation "a party's portion" is indefinite because it is "unclear as to what party is being referred to."

¹ To the extent that the Examiner characterized the claims or the teachings of the prior art in the office action, Applicant declines to agree with any such characterizations.

Regarding claims 3, 8, and 13, the Examiner contends that these claims are indefinite because they depend from claims 2, 7, and 12. Applicants respectfully disagree with the Examiner's contentions. Nonetheless, in the interest of advancing examination of this long-pending application, Applicants have amended claims 2, 7, and 12 to recite features inherent in the original claim language identifying the party being referred to. Applicants submit that claims 2, 3, 7, 8, 12, and 13 are now in condition for allowance and request that the Examiner withdraw the 35 U.S.C. § 112, second paragraph, rejection of these claims.

Rejections under 35 U.S.C. § 101

In rejecting claims 11-15 under 35 U.S.C. § 101, the Examiner asserts that "the claimed subject matter is directed towards nonfunctional descriptive material." Applicants respectfully traverse. The Examiner's assertion is incorrect because the computer program product recited in claims 11-15 expressly includes code for causing a processor to perform a process that "present[s] an indication of the amount of capital held in connection with the subject pool based on application of the capital reserve requirements." A computer product including code that causes a processor to perform the recited process is clearly not merely "nonfunctional descriptive material" because it functions to produce the useful, concrete, and tangible result that is recited in claim 11.

To the extent that the Examiner is rejecting these claims merely because they do not recite that the computer program product is stored on a tangible computer-readable medium, Applicants respectfully traverse because it is inherent in the words "computer program product" that it be stored on a computer readable medium. Nonetheless, in the interest of advancing examination of this long-pending application, Applicants have

amended claim 11 to expressly recite this inherent feature of the original claim language.

Rejections under 35 U.S.C. § 102(e)

In the office action, the Examiner rejected claims 1-3, 5-8, 10-13, 15, 28, and 29 under 35 U.S.C. § 102(e) as being anticipated by Ghani. Applicants respectfully traverse.

In order to properly anticipate claims under 35 U.S.C. § 102, a cited reference must explicitly disclose each and every element recited in the claims.

See M.P.E.P. § 2131 (8th ed., August 2005 rev.). If the reference fails to expressly set forth a particular element, then the Examiner must show that this element is inherently disclosed to substantiate a claim of anticipation. See In re Robertson, 169 F.3d 743, 745 (Fed. Cir. 1999). To establish inherency, the Examiner must specifically identify extrinsic evidence that makes clear to one skilled in the art that the missing element "is necessarily present" in the reference's disclosure. See id.; see also Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1269 (Fed. Cir. 1991). Here, the Ghani reference does not disclose each and every element recited in the claims.

For example, among other features not taught by Ghani, independent claim 1 recites "allocating credit risk for the subject pool among a plurality of parties, based on the credit risk rating" and "applying capital reserve requirements to the subject pool based on the credit risk rating and the allocated credit risk." Independent claims 6, 11, 28 and 29, although of different scope, recited similar features.

Ghani, in contrast, describes a proposal to adjust the capital reserve requirements of a bank or other lending institution based on the agency-rated credit risk

associated with its loans. Ghani teaches one example under the proposal where, assuming an 8% base capital reserve requirement, a bank would reduce its risk-weighted capital requirement to, for example, 20% of the base 8% (i.e., 1.6%) for highly rated (low risk) loans and would increase its capital requirement to 150% of the base 8% (i.e., 12%) for low quality (high risk) loans.

Ghani does not teach or suggest “allocating credit risk for the subject pool among a plurality of parties, based on the credit risk rating” because a bank applying the proposal retains all the credit risk, albeit with a potentially different capital reserve requirement.² Similarly, Ghani does not teach or suggest “applying capital reserve requirements to the subject pool based on the credit risk rating and the allocated credit risk” because there is no allocated credit risk factor taught in the Ghani reference. Instead, the bank still shoulders all the risk itself, without any other parties, again with a potentially different capital reserve requirement. Ghani simply has no teachings related to the concept of allocating the credit risk among a plurality of parties.

For at least these reasons, Ghani fails to disclose each and every element recited in independent claims 1, 6, 11, 28, and 29, and these claims are allowable. Furthermore dependent claims 2, 3, 5, 7, 8, 10, 12, 13, and 15 are allowable at least by virtue of their dependence from allowable independent claims. Accordingly, Applicants respectfully request reconsideration and withdrawal of the section 102(e) rejection of all these claims.

² Ghani’s disclosed capital reserve requirement is *potentially* different because, depending on the credit rating of the borrower, the capital requirement may be lower, higher, or the same as the base 8% capital reserve requirement.

The dependent claims are also allowable because they recited additional elements not taught by the Ghani reference. For example, claim 2 recites "for a specified party from the plurality of parties, capping the specified party's portion of the credit risk at a maximum level," and because Ghani does not teach or suggest allocating the credit risk among a plurality of parties, as explained above, it cannot teach or suggest capping a party's portion of the credit risk. Claims 7 and 12 are allowable for similar reasons.

For another example, claim 3 recites that "the maximum level [of a party's portion of the credit risk] is a percentage of the subject pool value." Again, because Ghani does not teach or suggest allocating the credit risk among a plurality of parties, as explained above, it cannot teach or suggest capping a party's portion of the credit risk at a specified maximum level. Claims 8 and 13 are allowable for similar reasons. Similarly, claims 5, 10, and 15 are allowable because they recite additional features related to allocating credit risk between two parties, which are not disclosed or suggested in Ghani.

For these additional independent reasons, Ghani fails to disclose each and every element recited in dependent claims 2, 3, 5, 7, 8, 10, 12, 13, and 15, and these claims are allowable. Accordingly, Applicants respectfully request reconsideration and withdrawal of the section 102(e) rejection of all these claims.

Rejections under 35 U.S.C. § 103(a)

In the office action, the Examiner rejected claims 4, 9, and 14 under 35 U.S.C. § 103(a) as being unpatentable over Ghani. Regarding the features of these claims, the

Examiner argues that "the assignment of portions of the credit risk does not relate back to or clarif[y] what is required by the claims."

Applicants have amended independent claims 1, 6, and 11, from which claims 4, 9, and 14 depend, to recite "allocating credit risk for the subject pool among a plurality of parties" so that the relationship between the elements of these dependent and independent claims is clear. Claims 4, 9, and 14 are allowable at least at least be virtue of their dependence from independent claims 1, 6, and 11, which are allowable for the reasons described above. Claims 4, 9, and 14 are also allowable because they recite additional features related to allocating credit risk between two parties, which are not disclosed or suggested in Ghani. Accordingly, Applicants respectfully request reconsideration and withdrawal of the section 103(a) rejection of these claims.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

If the Examiner believes that an interview with Applicants' representative (and some of the inventors, if desired) will assist in the understanding and expedite the examination of this long-pending application, then Applicants invite the Examiner to contact the undersigned at 571-203-2748.

Please grant any extensions of time required to enter this response and charge
any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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Dated: April 24, 2008